

TERRENCE O'BRIEN & Co.

TERRENCE M. O'BRIEN, MAI

APPRAISAL REPORT

OF

3200 EAST 98TH STREET

CHICAGO, ILLINOIS

- THE SUBJECT PROPERTY CONSISTS OF A VACANT, IRREGULAR SHAPED PARCEL OF LAND CONTAINING 6.0± ACRES AND/OR 261,360± SQUARE FEET -

FOR

PEOPLES ENERGY

C/O MR. JOHN G. NASSOS

SENIOR COUNSEL

PERMANENT TAX INDEX NUMBER(S)

APPEARS TO BE PORTIONS OF:

26-06-428-005  
26-06-428-006  
26-06-428-011  
26-06-428-016  
26-06-428-019

REAL ESTATE APPRAISERS - BROKERS - CONSULTANTS

1247 WAUKEGAN ROAD • SUITE 103 • GLENVIEW, ILLINOIS 60025-3058

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REAL ESTATE APPRAISERS · BROKERS · CONSULTANTS  
1247 WAUKEGAN ROAD · SUITE 103 · GLENVIEW ILLINOIS 60025-3058  
(847) 729-1310

TERRENCE M. O'BRIEN, MAI

FAX (847) 729-8103

November 23, 1999

Peoples Energy  
c/o Mr. John G. Nassos  
Senior Counsel  
130 East Randolph Drive  
Chicago, Illinois 60601

Re: 3200 East 98th Street  
Chicago, Illinois  
Permanent Tax Index Number(s)  
Appears to be Portions of:  
26-06-428-005, 006, 011, 016 and 019

Dear Mr. Nassos:

Pursuant to your request, the above captioned property was inspected on November 16, 1999, for the purpose of estimating the Market Value thereof in fee simple title.

The sole function of this appraisal is to provide a basis for Peoples Energy to utilize in negotiations for the acquisition and/or sale of the subject real estate. In keeping with this function, the value of the real estate has been estimated in accordance with any assumptions, limiting conditions and instructions cited within the report.

Pursuant to your instructions, for purposes of this appraisal report, we have assumed that vehicle and pedestrian access will be provided from an adjoining property owner. Thus, we have disregarded the fact that the subject property is land locked.

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Peoples Energy  
c/o Mr. John G. Nassos

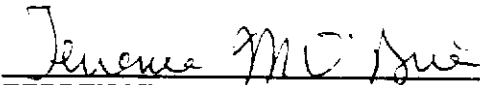
Page Two  
November 23, 1999

As a result of this investigation, more fully described in this Complete and Self-Contained Appraisal Report, composed of 52 pages, it is our opinion that the Market Value of the subject real estate, as of November 16, 1999, is:

THREE HUNDRED NINETY THOUSAND DOLLARS

(\$390,000.00)

Respectfully submitted,

  
TERRENCE M. O'BRIEN, MAI

GENERAL CERTIFIED APPRAISER  
CERTIFICATE NUMBER 153-000100

  
BRIAN J. DUNIEC

GENERAL CERTIFIED APPRAISER  
CERTIFICATE NUMBER 153-000881

TMO/of (137A)

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### SCOPE OF THE APPRAISAL ASSIGNMENT

The term Scope of the Appraisal Assignment is defined as "the extent of the process of collecting, confirming and reporting data."<sup>1</sup>

Furthermore, as explained in Standard Rule 2-2 (f), "This requirement is designed to protect third parties whose reliance on an appraisal report may be affected by the extent of the appraiser's investigation; i.e., the process of collecting, confirming, and reporting data."<sup>2</sup>

The *Scope of the Appraisal Assignment*, in this report, will outline the indepth research and analysis that was completed to prepare this report for its intended use.

The subject property and surrounding area were personally inspected by the person(s) indicated in the *Certificate of Appraisal* attached hereto and made a part of this report. The date of inspection is indicated in the letter of transmittal.

The legal description presented herewith has been supplied by the owner and/or his agent or from a review of public records or documents.

Any photographs included in this appraisal report were taken as of the date of inspection unless otherwise indicated.

All regional, city, county and neighborhood data was prepared based on information available at the time of the commencement of this appraisal. The neighborhood data was based upon a physical inspection of the subject and surrounding area. In addition, a thorough review was made of zoning maps, ordinances, comprehensive plans, etc. applicable to the subject.

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<sup>1</sup>The Appraisal Foundation, S.R. 2-2 (f), UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE, (Washington, DC: The Appraisal Foundation, December, 1990), B-15.

<sup>2</sup>Ibid., B-15.

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### SCOPE OF THE APPRAISAL ASSIGNMENT (cont'd)

The site data is based upon the personal inspection, surveys, when supplied, and/or other public records and documents such as Sidwell Plat Books and/or Redi Realty Atlas Books.

The *Description of Improvements*, if any, is based upon the personal inspection, review of building/floor plans, where available, and information supplied by the owner and/or his agent.

An investigation and analysis was made to determine the subject property's *Highest and Best Use*. This included the subject as vacant, as well as consideration of the present and/or existing use; the character and/or trend in the subject and surrounding area; the impact this or any other use will have upon the value of surrounding real estate; the economic yield resulting from any potential development or use, etc.

The *Cost, Sales Comparison and Income Capitalization Approaches* were considered in this assignment; they were utilized unless instructed otherwise or thought to be non-applicable in this analysis.

Information pertaining to construction costs was obtained from one or more sources including cost manuals such as the Marshall Valuation Service, the Calculator Valuation Guide, the Boeckh Building Evaluation Manual, various builders, developers, architects, engineers, etc.

Market data, with regard to comparable sales and rentals, was collected and confirmed by one or more sources including real estate brokers, buyers, sellers, attorneys, public records, etc. Those comparables most similar were then compared to the subject and, where necessary, adjustments were made in order to arrive at an indication of value for the property in question.

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### SCOPE OF THE APPRAISAL ASSIGNMENT (cont'd)

To arrive at an indication of the subject's estimated Market Rent (Net or Gross Income), where applicable, a market study was conducted which included interviews with one or more sources including real estate brokers, leasing agents, developers, property owners, etc. This study and analysis also included a review of market conditions pertaining to vacancy factors for comparable and/or similar properties and was tempered by the appraiser's(s') experience and judgment.

Income and expense items/projections delineated under the *Income Capitalization Approach*, where applicable, were supplied by one or more sources including the owner and/or his agent, as well as various publications and manuals. These include, but are not limited to, the EXPERIENCE EXCHANGE REPORT, published by BOMA (Building Owners and Managers Association); the INCOME/EXPENSE ANALYSIS-CONVENTIONAL APARTMENTS (this series covers apartments as well as other types of properties), published by IREM (Institute of Real Estate Management; HOSPITALITY DIRECTIONS, published by Coopers and Lybrand; THE HOTEL VALUATION JOURNAL, published by Hospitality Valuations Services; HOTEL OPERATING STATISTICS, published by Smith Travel Research; the PULSE OF THE HOTEL MARKET, a joint publication of BDO Seidman and the Hotel Association of Illinois; and the DOLLARS AND CENTS OF SHOPPING CENTERS, published by The Urban Land Institute. In addition, the appraiser's(s') experience and judgment was considered.

Interest and/or capitalization rates were based upon one or more sources including various publications, manuals, actual market transactions, as well as the appraiser's(s') experience and judgment.

The three approaches, *Cost*, *Sales Comparison* and *Income Capitalization*, when utilized, were reconciled into a final value estimate taking into consideration the market data available within each approach. Those steps taken to reach this final value estimate are outlined, in detail, under the *Reconciliation of Value* section of this report.

The *Scope of the Appraisal Assignment* is subject to all the assumptions and limiting conditions set forth within this report.

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### PURPOSE OF REPORT

The purpose of this appraisal report is to estimate the Market Value of the fee simple interest in the subject real estate, free and clear of all encumbrances, as of November 16, 1999.

The basic aim (or purpose) of this or any appraisal is to estimate a defined value of the subject real estate interest and/or to prepare an evaluation analysis for any present or future real property decisions. Usually, every appraisal will answer some question(s) with reference to the value of the subject real estate. The value that the appraiser will generally seek for his client is Market Value.

The appraiser and client must have a clear and thorough understanding of the appraisal's purpose. The real estate interests being appraised, and the use they will be put to, will often determine what type of value the appraiser is seeking in his indepth analysis. This defined value must be clarified at the outset of the appraisal. Thus, it is extremely important for the appraiser to distinguish for the client the difference between certain terminology; these definitions include Real Estate, Real Property, Price, Market, Real Estate Market, Market Price, Market Value and Investment Value. The explanations of these terms follow.

The term Real Estate is defined as "the physical land and appurtenances affixed to the land, e.g., structures. Real estate is immobile and tangible. The legal definition of real estate includes land and all things that are a natural part of land (e.g., trees and minerals), as well as all things that are attached to it by people (e.g., buildings and yard improvements). All permanent building attachments (e.g., plumbing, electrical wiring, heating installations) as well as built-in items (e.g., cabinets and elevators) are usually considered part of the real estate."<sup>3</sup>

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<sup>3</sup>American Institute of Real Estate Appraisers (currently the Appraisal Institute), THE APPRAISAL OF REAL ESTATE, Ninth Edition, AIREA, Chicago, Illinois, 1987, Page 5.



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### PURPOSE OF REPORT (cont'd)

The term Real Property is defined as "includes all interests, benefits, and rights inherent in the ownership of physical real estate. A right or interest in real property is also referred to as an estate. Specifically, an estate in land is the degree, nature, or extent of interest that a person has in it. Interests vary, so real property is said to include a 'bundle of rights' that are inherent in the ownership of real estate. Ownership rights include the right to use real estate, to sell it, to lease it, to enter it, to give it away, or to choose to exercise all or none of these rights."<sup>4</sup>

The term Price is defined as "usually used to refer to a sale or transaction price, applies to exchange; a price is an accomplished fact. A price represents the amount a particular purchaser agrees to pay and a particular seller agrees to accept under the circumstances surrounding their transaction."<sup>5</sup>

The term Market is defined as "a set of arrangements in which buyers and sellers are brought together through the price mechanism. A market may be defined in terms of geography, products or product features, number of available buyers and sellers, or other arrangements of circumstance."<sup>6</sup>

The term Real Estate Market is defined as "the interaction of individuals who exchange real property rights for other assets, such as money. Specific real estate markets are defined on the basis of property type, location, income-producing potential, a typical investor profile, a typical tenant profile, or other attributes considered by those participating in the exchange of real property."<sup>7</sup>

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<sup>4</sup>Ibid., Page 5.

<sup>5</sup>Ibid., Page 15.

<sup>6</sup>Ibid., Page 15.

<sup>7</sup>Ibid., Page 15.

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### PURPOSE OF REPORT (cont'd)

The term Market Price is defined as "The price paid for a property; the amount of money that must be given or which may be obtained at the market in exchange under the immediate conditions existing at a certain date. The price paid for property regardless of pressures, motives or intelligence. To be distinguished from market value."<sup>8</sup>

The term Market Value is defined as "The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress."<sup>9</sup>

In addition, many of the legal definitions of Market Value are based on the following:

"The highest price estimated in terms of money that the land would bring if exposed for sale in the open market, with reasonable time allowed in which to find a purchaser, buying with knowledge of all of the uses and purposes to which it was adapted and for which it was capable of being used."<sup>10</sup>

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<sup>8</sup>American Institute of Real Estate Appraisers (currently the Appraisal Institute), APPRAISAL TERMINOLOGY AND HANDBOOK, Fifth Edition, Lakeside Press, Chicago, Illinois, 1967, Page 131.

<sup>9</sup>American Institute of Real Estate Appraisers (currently the Appraisal Institute), THE DICTIONARY OF REAL ESTATE APPRAISAL, Second Edition, AIREA, Chicago, Illinois, 1989, Page 192.

<sup>10</sup>Sacramento Southern Railroad Company v. Heilbron 156 Cal. 408, 104 Page 979 (1909).

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### PURPOSE OF REPORT (cont'd)

In the above definitions of *Market Value*, some fundamental assumptions and conditions are presumed; these include:

- 1) that both buyer and seller are motivated by self-interest;
- 2) that both buyer and seller are well informed and are acting prudently (not under undue duress);
- 3) that the property has been exposed for a reasonable length of time on the open real estate market;
- 4) that payment is made in cash, its equivalent, or in specified financing terms;
- 5) that the specified financing, if any, may be the financing actually in place or on terms generally available for the property type in its locale on the effective appraisal date; and
- 6) that the effect, if any, on the amount of *Market Value* of any atypical financing, services, or fees shall be clearly and precisely revealed in the appraisal report.

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### PURPOSE OF REPORT (cont'd)

The term Investment Value is defined as "The specific value of an investment to a particular investor or class of investors based on individual investment requirements; as distinguished from market value, which is impersonal and detached."<sup>11</sup>

In conclusion, any appraisal and/or analysis should distinguish and delineate the difference between these terms. The essential difference between all these definitions lies in the supposition of:

- 1) the intelligence of both buyer and seller;
- 2) knowledge of the market in general; and
- 3) individual investment requirements (present and long term).

In other words, at any given moment of time, *Market Value* connotes what a property is worth, whereas *Market Price* and *Investment Value* are indicative of what a property may be sold for under certain conditions and circumstances surrounding the sale transaction.

Thus, in this *Purpose of Report*, the reason for this assignment has been summarized along with the real estate interests being appraised as well as the type of value and date of value being sought by the client.

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<sup>11</sup>American Institute of Real Estate Appraisers (currently the Appraisal Institute), THE DICTIONARY OF REAL ESTATE APPRAISAL, Second Edition, AIREA, Chicago, Illinois, 1989, Page 164.

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IDENTIFICATION OF PROPERTY



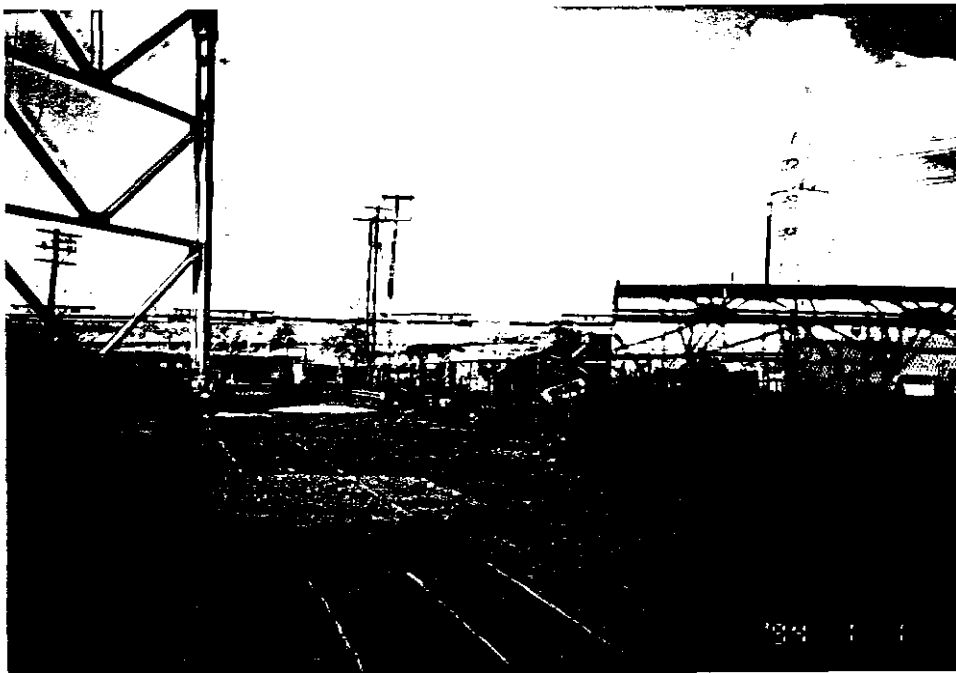
A VIEW OF THE SUBJECT PROPERTY  
LOOKING IN A SOUTHEASTERLY DIRECTION



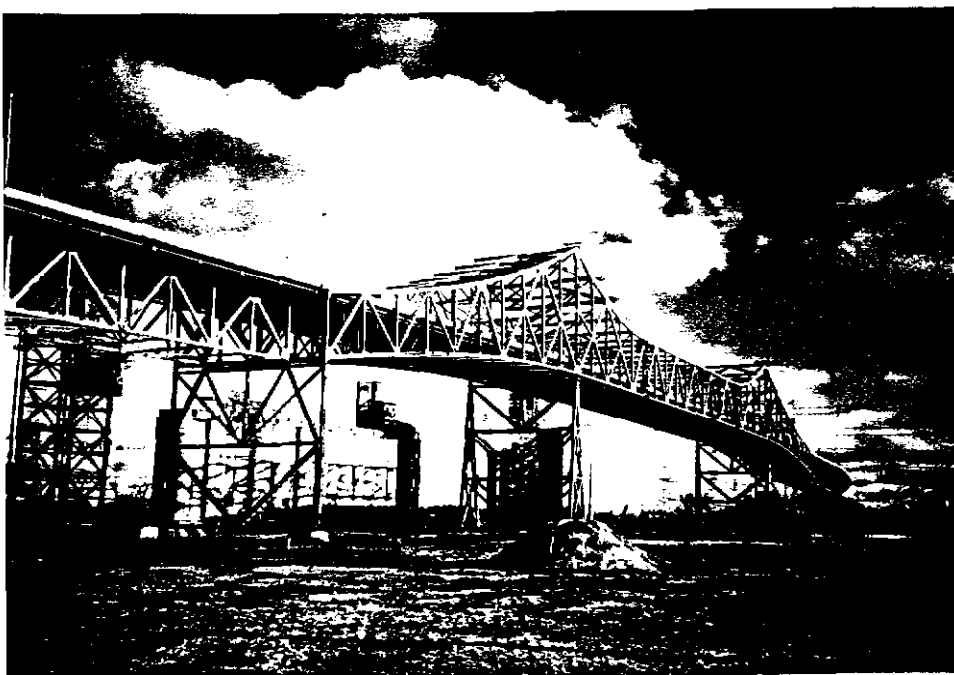
LOOKING IN A SOUTHERLY DIRECTION ALONG THE  
ACCESS DRIVE FROM THE NORTHWEST CORNER OF THE PROPERTY

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IDENTIFICATION OF PROPERTY (cont'd)



LOOKING IN A NORTHERLY DIRECTION ALONG ACCESS  
DRIVE FROM THE NORTHWEST CORNER OF THE SUBJECT PROPERTY



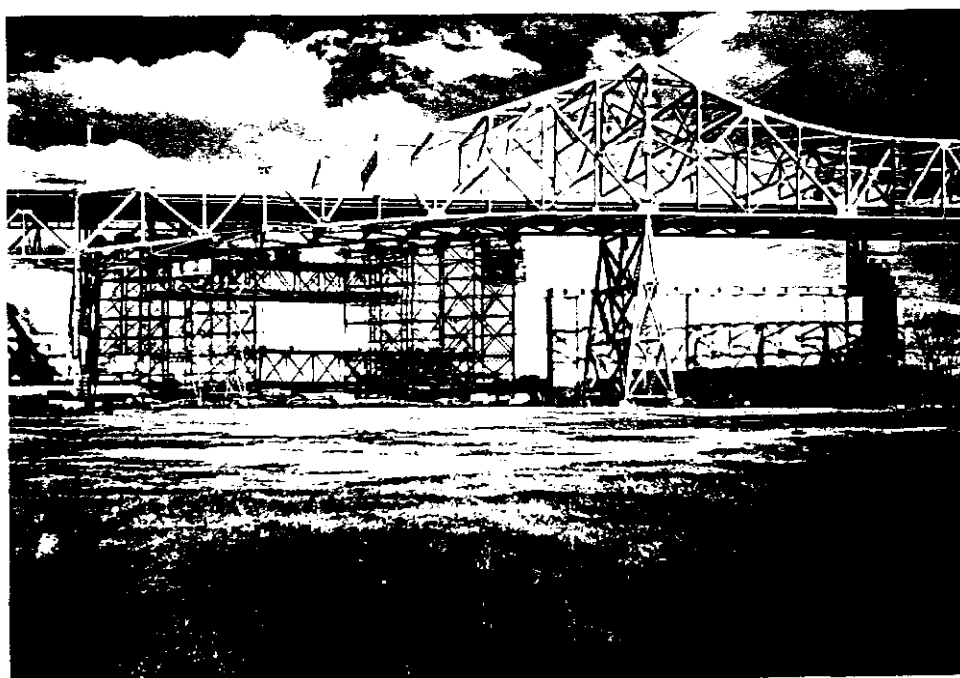
LOOKING IN A NORTHEASTERLY DIRECTION WITH  
PORTIONS OF THE SUBJECT PROPERTY IN BACKGROUND

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IDENTIFICATION OF PROPERTY (cont'd)



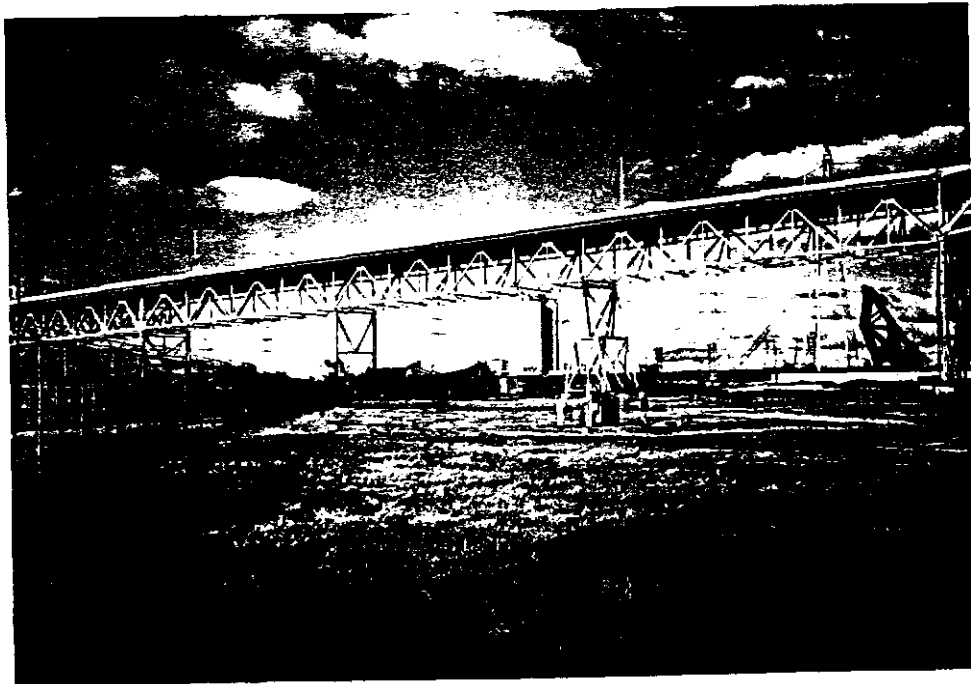
A VIEW OF THE SUBJECT PROPERTY LOOKING  
IN A NORTHWESTERLY DIRECTION FROM THE SOUTHEAST CORNER



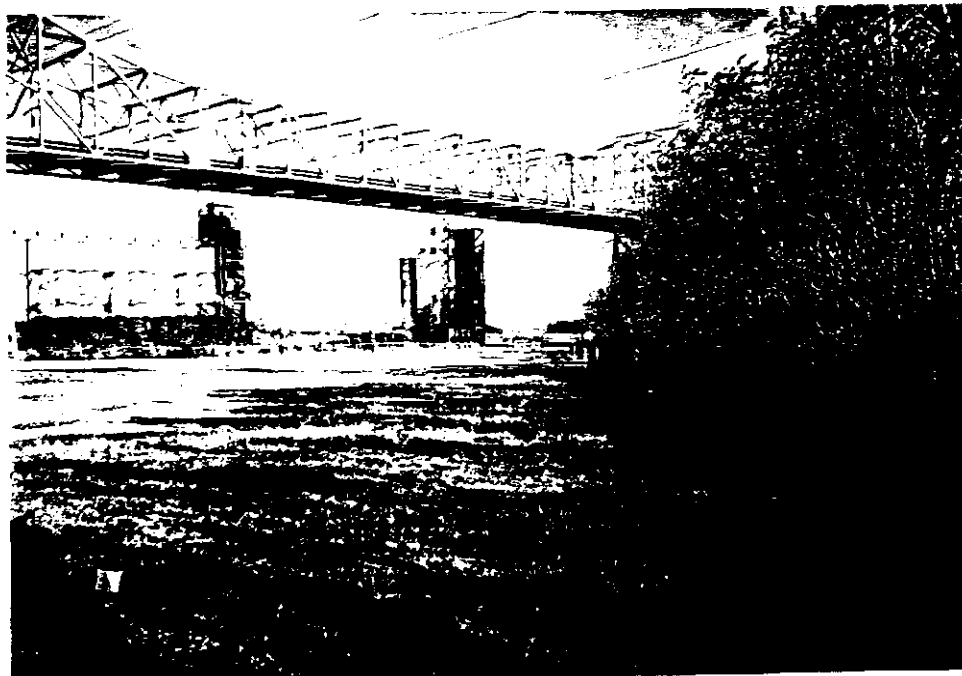
A VIEW OF THE SUBJECT PROPERTY LOOKING IN A  
NORTHEASTERLY DIRECTION FROM THE SOUTHWEST CORNER

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IDENTIFICATION OF PROPERTY (cont'd)



LOOKING IN A NORTHERLY DIRECTION FROM  
THE SOUTHWEST CORNER OF THE SUBJECT PROPERTY



LOOKING IN AN EASTERLY DIRECTION FROM  
THE SOUTHWEST CORNER OF THE SUBJECT PROPERTY



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### IDENTIFICATION OF PROPERTY (cont'd)

#### Legal Description

There has been no *legal description* supplied to further identify the subject property. However, the property can be further described by: That part of the Southeast Quarter of Section 6, Township 37 North, Range 15, East of the Third Principal Meridian, South of the Indian Boundary Line in Cook County, Illinois, which appears to be portions of Permanent Tax Index Numbers 26-06-428-005, 006, 011, 016 and 019.

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### CITY OF CHICAGO DATA

Chicago—*Illinois' largest city* is located in the north-eastern tip of the State. Lying along the southwesterly shores of Lake Michigan, it encompasses over 29± miles of shoreline and protected harbors with a total land area of approximately 228± square miles. Strategically located, with the added bonus of having access to overseas shipping through Lake Michigan and connected waterways, Chicago is ideally situated for business, commerce and recreation.

The *Eight Counties of Metropolitan Chicago*<sup>12</sup> help make the City a cross section of both people and topography. Overall, the land is flat, with several hills and ridges in both northern and southern areas. Branching in two directions, the Chicago River divides the City into the south, west and north sides. The "Loop" - which is the heart of the City - is Chicago's Downtown Area where the majority of business is conducted.

Although it is the largest city in the Cornbelt of the Nation, Chicago's residents are employed primarily in non-agricultural capacities. Prior to the Chicago Fire, the growth of the City centered on the organization of the Union Stock Yards. This enabled Chicago to serve as a nationwide center for agricultural trade. Subsequent to the Fire of 1871, the metropolitan area evolved into an industrial hub. This included, in the late 1800s, the development of iron and steel mills along the Calumet River. By the turn of the century, the economy of this City was derived chiefly from industrial production. Coal, from southern Illinois and Indiana, iron ore and by-products, from the Lake Superior region, were the raw materials used to produce iron and steel for other areas of the Nation.

At the present time, there is a tremendous diversification in the complexion of the work force. Business, finance and commerce are as much a part of the fabric of Chicago's economy as industrial production. Today, sizable manufacturing plants of electrical products and machineries, household products, etc. coexist with the employment of people in trade, public utilities, finance, insurance, transportation, communication, construction, real estate and government.

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<sup>12</sup>The Eight Counties include the Illinois counties of Cook, DuPage, Lake, Kane, Will and McHenry as well as the Indiana counties of Porter and Lake.

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### CITY OF CHICAGO DATA (cont'd)

Chicagoans are governed by a Mayor and Council. The Council itself is made up of 50 aldermen. As of the 1990 census, there were over 2,783,726± people residing within the City. Considering that as of the first census in 1840, Chicago's population numbered 4,470± residents, increases have been substantial - making Chicago the third largest city by population in the United States. The Greater Metropolitan Chicagoland Area (Eight Counties) has a population in excess of 8± million. It is the fourth largest metropolitan area in the country, encompassing 4,657± square miles. As a result, the Chicagoland Area is considered to have one of the biggest and most lucrative retail markets in the country.

The City of Chicago is divided into 77 community areas. These include Rogers Park, Lincoln Park, Logan Square, Hyde Park, Hegewisch, Bridgeport, Englewood, Beverly, Chicago Lawn, Avondale and Morgan Park to name but a few. Each community brings its own unique history, ethnic background and vintage architecture to the City as a whole. Many of these community areas were originally independent villages that were later annexed into the City. For example, in 1889, Chicago annexed the adjacent communities of Jefferson, Lake View, Lake and Hyde Park. Through these annexations alone, the City increased its size fourfold. Chicago has often been called a *City of Neighborhoods*. Within these community areas, individual neighborhoods such as Streeterville, Old Town, the Gold Coast, Wrigleyville, Printers Row, Pilsen, Little Italy, Chinatown, Ukrainian Village, etc. add a distinctive quality, lifestyle, economic base and housing often different from other areas of the City. There are approximately 40 landmark districts within Chicago, many of which are clustered in the booming rehab neighborhoods on the North and Northwest sides.

"Growth," in a sense, has always been one of Chicago's trademarks, not only in population but in construction and the planned development of the Downtown Area. This is enhanced by more than adequate transportation which has facilitated this development. In Chicago, there is a ready availability of transportation by sea, rail, air and truck. The ability to manufacture, market and easily transport goods and merchandise in and out of this Midwest City has, to a great extent, fostered Chicago's past and present growth pattern.

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### CITY OF CHICAGO DATA (cont'd)

Of primary importance, is the metropolitan area's almost *direct linkage to foreign trade*. Through the St. Lawrence Seaway (opened in 1959) to the Atlantic Ocean and the Mississippi Waterway Systems to the Gulf of Mexico, Chicago can have a wealth of goods and materials brought to her harbors and people. Chicago's *proximity* to both the St. Lawrence Seaway and the Mississippi River enables millions of tons of cargo to be carried in and out of the City by barges as well as freighters and ships. In addition, the Port of Chicago, with several international shipping lines servicing this area, handles ships bound for overseas.

With the exception of Texas, Illinois has more miles of railroad than any other state, and one has to merely travel in the *Chicagoland Area* for a few minutes to see how important a part the rails have played and are still playing. Operating approximately 50± percent of America's trackage, there are 20± trunk line railroads transporting goods locally and long distance. Millions of tons of goods are transported via rail every year to and from Chicago - more than any other manufacturing district in the country.

In addition, the commuter railroad system now under METRA (which includes the Chicago and North Western Railroad, Milwaukee Road, as well as other suburban rail lines) serves the north, south and west sides - transporting over 250,000± people daily to and from the suburbs. Within the City's boundaries, the Chicago Transit Authority, CTA, provides elevated and subway service along the major thoroughfares. Several close suburban communities are also served by the CTA "L" - these include Evanston, Skokie, Wilmette, Park Ridge, Rosemont, Oak Park, Forest Park, River Forest, Cicero and Berwyn. The CTA also runs rapid transit train service (35 minutes) between Chicago's downtown and O'Hare Airport. An extensive network of buses is also provided by the CTA maintaining a full schedule (24 hour service), along major and some secondary thoroughfares, within Chicago's limits.

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### CITY OF CHICAGO DATA (cont'd)

While the railroads have played an important part in the past, today, air and vehicle travel for goods is more significant. O'Hare International Airport, annexed as part of the City and located northwest of Chicago's Loop, is the world's busiest airport. It accommodates in excess of 2,300± flights daily; this includes passenger and freight. In addition, over 60± million passengers annually commute through O'Hare's terminals. Its central location enables O'Hare to be an axis of air travel in the Midwest - originating and connecting air flights coast to coast and overseas. O'Hare now has a new international terminal to handle the additional number of overseas flights. There are a growing number of domestic and international carriers whose overseas flights now originate from O'Hare. In addition, major carriers, such as United Airlines, make O'Hare their home base of operations. This airport ships and receives more mail and freight than any other of the Nation's major airports. Located 20± minutes from Downtown Chicago, Midway Airport provides primarily domestic service, with over 8± million passengers annually. Meigs Field, the smaller of Chicago's airports, is located 10± minutes from Chicago's Loop. It has several commercial airlines utilizing its facilities which primarily serve nearby midwestern states and cities.

Through such Interstate Tollroads as 80/90, helping to connect Chicago's metropolitan area from coast to coast, truckers can make available to Chicagoans a wide variety of national and foreign products to serve the 8± million consumers in the *Eight County Chicagoland Area*. At the present time, there are over 2,000± trucking and warehousing companies in the area operating more than 150,000± vehicles. In addition, there are numerous corporate and independent fleets. The City of Chicago is second only to the Dallas-Fort Worth area in truck registrations. This ready accessibility of varied merchandise for its populace is another factor for Chicago's popularity among its citizens.

Expressways and tollroads also play another important part in Chicagoland's urban and suburban travel. The Stevenson, Dan Ryan, and Kennedy Expressways, within the City limits, are toll free. The Kennedy Expressway accommodates over 270,000± vehicles daily which, for its size, makes it one of the busiest stretches of highway in the Nation. The Illinois Tollroad, Northwest Tollroad and Edens Expressway serve the suburban areas. These roads, in conjunction with other main arteries, expedite traffic flow to and from City boundaries during peak travel periods.

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### CITY OF CHICAGO DATA (cont'd)

The "heart" of the City, the Loop, as previously mentioned, is "the center" not only for government, industry and commerce, but for all major businesses and financial institutions as well. In addition, along La Salle Street, many local, national and international financial firms have located their corporate headquarters.

Retail shopping, which includes large department stores, (Marshall Field & Co., Carson Pirie Scott & Co., etc.) is available along State Street. Michigan Avenue, Madison, Oak and Wells Streets, as well as Lincoln Avenue, also have numerous exclusive stores, specialty shops, galleries and antique shops. In addition, Water Tower Place - known as 'the atrium mall' - on Michigan Avenue (Chicago's version of a suburban mall) has large department stores (Marshall Field & Co. and Lord and Taylor) as well as restaurants, theatres, and other varied boutiques in a setting of glass, greenery and waterfalls. In addition, the center, in the 900 N. Michigan Building, anchored by Bloomingdales, offers specialty retail outlets, upscale fashion stores and restaurants. Other malls within or adjacent to Chicago's borders include Evergreen Plaza (in adjacent Evergreen Park), one of Chicagoland's oldest malls (opened in 1952), anchored by Carson Pirie Scott & Co. and Montgomery Ward, which contains over 150± stores; the Brickyard Mall, at Diversey and Narragansett Avenues, houses J. C. Penney, Montgomery Ward, K-Mart and over 120± fashion and retail shops; and North Pier, just west of Lake Shore Drive at Illinois Street; this is Chicago's first waterfront shopping district. This center houses restaurants, bars and many specialty shops. This combination of business and retail outlets makes Chicago's Loop and Downtown Area a nearly perfect environment in which to work.

At the present time, Chicago has the biggest grain and product futures markets, and through the Midwest Stock Exchange, Chicagoans can buy and sell over 500± types of stocks and bonds. Many board members are located in primary and secondary cities and several foreign ports. Grain futures and farm produce are bought and traded through the services of the Chicago Board of Trade and Chicago Mercantile Exchange.

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### CITY OF CHICAGO DATA (cont'd)

Chicago not only serves the business community but the educational community as well. There are 226± colleges and universities in the area (this includes 91± privately owned and 8± City Colleges). The City Colleges of Chicago have branches in various locations. The system provides for a two-year associate arts degree as well as a myriad of computer and technical type programs. Major and leading universities located here include the University of Chicago, Northwestern and Loyola Universities as well as the Illinois Institute of Technology, DePaul University and the University of Illinois Circle Campus. The University of Chicago is one of the more acclaimed educational institutions in the world. The school has produced 61 winners of Nobel Prizes throughout its history. The City of Chicago maintains 510± elementary and 65± high schools within the City. In addition, the Archdiocese of Chicago helps support 220± Catholic elementary and high schools. There are also numerous other private and religious elementary and high schools located within the City.

The City of Chicago has 25 police districts with 6 area headquarters. The Police Department employs over 12,000± police officers (including 28± mounted police). The Fire Department is divided into 6 districts; there are 24 Battalions and 112 station houses. In addition, the Fire Department maintains 1 fire boat and 2 helicopters. There is a total of 4,363± firefighters employed with the City and an additional 534± paramedics providing 911-medical services.

A "wealth" of cultural and recreational facilities are available to Chicagoans. Within the City's boundaries, Orchestra Hall and the Civic Opera House have national and foreign artists visiting weekly. There are numerous theatres located throughout the City including the newly renovated Chicago Theatre; Goodman; Auditorium; Arie Crown and Blackstone Theatres. Appearances by the Chicago Symphony Orchestra, one of the finest orchestras in the world, at Ravinia in Highland Park (a northern suburb) and Orchestra Hall (in Chicago) offer Chicagoland residents a real choice of performances and selections. In addition, during the summer months, there are numerous free outdoor concerts throughout the City and particularly at Grant Park.

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### CITY OF CHICAGO DATA (cont'd)

There are 560± parks which encompass over 7,000± acres available to all Chicago residents. This includes 32± bathing beaches, tennis courts (700± outdoor/6± indoor), 6± golf courses, numerous boat launching ramps and 8± yacht harbors. Scattered throughout the metropolitan area, there are also numerous Forest Preserve Districts (operated by Cook County). These recreational areas provide open land for winter sports, tobogganing, skiing and skating as well as formal botanical gardens, arboretums, nature walks, conservation areas, picnic and athletic facilities.

The Museum of Science and Industry, the Field Museum of Natural History, the Shedd Aquarium and Oceanarium, the Adler Planetarium and the Art Institute offer various exhibits to both residents and tourists. Brookfield Zoo, located in a nearby suburb, and Lincoln Park Zoo, within City limits, compete with the museums as City attractions. Brookfield, one of the Nation's leading zoos, offers a view of the life style of various animals by placing them in many of their own natural environments. Chicago's Public Library and Cultural Center also hosts numerous year-round special events, including concerts and plays.

Its central location to the rest of the country makes Chicago ideally suited for conventions, trade shows and corporate meetings, holding over 29,000± last year alone. There are over 3.5± million people attending Chicago's conventions, trade shows and corporate sales meetings annually. Convention centers include McCormick Place East, McCormick Place North, Donnelley Hall, McCormick Place West, the Amphitheatre and, in adjoining suburbs, the Rosemont Exposition Center as well as the O'Hare International Trade and Exposition Center and the Arlington Park Exposition Center. Hosting National political conventions for both Democrats and Republicans, Chicago's desirability as a "meeting place" and convention headquarters stems primarily from its central location, as well as excellent hotel accommodations, varied and first class restaurants and the added amenities of its lakefront, theatres, museums and fine shopping districts.



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### CITY OF CHICAGO DATA (cont'd)

The Central Business District of Chicago has accounted for the majority of the recent office construction boom. Chicago has the tallest building in the world - the Sears Tower (1,454± feet); additional high-rise buildings include the Amoco Building (1,136± feet); the John Hancock Center (1,127± feet); 311 S. Wacker Drive (970± feet) and Two Prudential Plaza (912± feet). In addition, Chicago has the tallest bank building (First National Bank) and the tallest apartment building (Lake Point Tower). The largest U.S. Post Office is also located within the City.

Single family construction has declined over the past several years; however, there has been an upsurge of apartment/condominium type structures. Chicago can offer its residents the best of both types of living. There are many fine suburban-like homes located northwest of the Downtown Area and many apartment buildings and condominiums directly located within or close to its business/industrial districts. There is a renaissance taking place within the City in several older residential areas where townhouses, condominiums and brownstones are being renovated to provide "up-scale" housing for Chicago's residents. In many cases, the renovations preserve the "architectural style" of the older buildings and neighborhoods while completely modernizing the interiors.

Similar to other large cities, there has been an exodus of movement from the City to nearby suburbs. However, even with this decline in the City's population (a 7.37± percent loss between 1980 and 1990), the majority of suburban dwellers are employed in some capacity with a Chicago-based firm or office.

Chicago's central location in the Midwest and Nation, in conjunction with the diversification of jobs available to its residents, the present excellent transportation facilities as well as the varied recreational amenities and tourist attractions, virtually assure the economic future and growth of the City as a whole.

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### NEIGHBORHOOD DATA

The subject property is located 4± miles east and 12± miles south of Chicago's downtown "Loop" in an area of the City commonly known as South Deering. This area was annexed to the City of Chicago in 1889.

The improvements in the immediate area of the subject property vary; however, the majority of the buildings located along the secondary thoroughfares are a combination industrial and residential in nature. The residential buildings consist of single family homes, as well as smaller walk-up type apartment buildings. In addition, there are commercial, residential and industrial buildings along the main thoroughfares of Commercial Avenue as well as 95th Street in the immediate vicinity of the subject.

The age of the improvements in the subject area varies; however, the majority of the buildings are 35± to 85± years old. It should be noted, however, that there are some newer, single family, residential improvements being constructed along the east side of Commercial Avenue in the 9800- and 9900- blocks. The condition of the improvements in the immediate area of the subject property varies; however, the majority of the buildings are in the poor to good category. There is some vacant, industrial zoned land available in the area.

Public transportation for the subject area is considered good. The Chicago Transit Authority (CTA) provides bus service along the main thoroughfares throughout the City of Chicago. In addition, the CTA elevated service has a boarding point in the vicinity of 95th Street and the Dan Ryan Expressway. The CTA elevated service provides a rapid means of transportation to the Chicago "Loop", as well as outlying areas of the City and a few of the neighboring suburbs such as Evanston, Wilmette, Skokie, Park Ridge, Rosemont, Oak Park, Forest Park, River Forest, Cicero and Berwyn.

Traveling time to the Chicago "Loop" via public means of transportation takes approximately one hour and fifteen minutes under ideal traffic conditions. Driving time to the Chicago "Loop" via any number of main thoroughfares and/or the Dan Ryan Expressway takes approximately forty-five minutes. Driving time to Chicago's Midway Airport via any

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### NEIGHBORHOOD DATA (cont'd)

number of main thoroughfares and/or the expressway system takes approximately one hour. Driving time to Chicago's O'Hare Airport via any number of main thoroughfares and/or the expressway system takes approximately one hour and fifteen minutes during ideal traffic conditions.

Shopping for the subject area is available along sections of Commercial Avenue, South Chicago Avenue, 95th Street, etc. These areas offer a variety of convenience type stores including grocery marts, hardware stores, coffee shops, restaurants, service stations, liquor stores, financial institutions, cleaners, appliance stores, barber shops, beauty shops, etc. However, for a variety of large discount centers and department stores one must travel to the Chicago "Loop", the North Michigan Avenue area or a regional-size shopping mall such as the Evergreen Plaza located in the vicinity of 95th Street and Western Avenue, the River Oaks Center located in Calumet City, etc.

There are several public and private grammar schools, as well as churches of various denominations located within the residential areas throughout the neighborhood.

Medical facilities in the form of doctors' offices, dental offices and clinics are located along the main thoroughfares throughout the area. In addition, there are several hospitals located within a convenient driving distance of the subject property.

The subject neighborhood reached maturity in the early 1900s. At present, the residents of the area are employed, for the most part, in blue collar type jobs and are in the lower income bracket.

Pride of ownership is evident in some of the structures in the area; however, there are numerous buildings which are not well maintained. Also, scattered throughout the area, there are some vacant lots which are primarily the result of the demolition of functionally obsolete and physically deteriorated structures.

Real Estate values with regard to industrial properties in the subject area have remained relatively stable during the previous few years and this trend is expected to continue.

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### ZONING

According to the most recent zoning ordinance and maps of the City of Chicago, the subject property is zoned M3-3, a *Heavy Manufacturing District*. The following zoning preamble is taken from the current Municipal Code of Chicago, published by the Index Publishing Company.

"The Manufacturing Districts are designed to accommodate manufacturing and related permitted uses which are primarily grouped into the various districts according to compatibility and performance levels."

#### Permitted Uses Under M3-3 Zoning

- 1) any production, processing, cleaning, servicing, testing, repair or storage of materials, goods or products which conform with performance standards of the City of Chicago's Zoning Ordinance;
- 2) automobile laundries;
- 3) automobile service stations;
- 4) banks and other similar financial institutions;
- 5) barber shops;
- 6) building materials sales;
- 7) currency exchanges;
- 8) drug stores;
- 9) the erection of earth station antenna(s), not exceeding eight (8±) feet in diameter;